

## CBM-4

### DISTRIBUTION OF OPERATING EXPENSES

#### INSTRUCTIONS

**NOTE:** Please complete a CBM-4 for: **Total, Acute** (which includes home health and hospice) and **Hospital Distinct Part Units**.

- 1- This worksheet examines expenses in two groupings: 1) atypical expenses including capital related costs, malpractice, medical education, professional fees, CRNA salaries, taxes and unique costs (Burn Unit, bone marrow transplants, ambulance –air/ground, organ acquisition – kidney, lung and heart); and, 2) total expenses allocated between inpatient and outpatient costs.
- 2- Total Costs on Line 3 are total operating expenses, but **MUST NOT** include uncollectible accounts (bad debts) at the charge level **OR** Federal and State income tax.
- 3- The definition for capital costs is taken from the Medicare Cost Report and is as follows:

“...These cost centers should include...leases and rentals for the use of facilities and/or equipment...insurance on depreciable assets used for patient care and real estate taxes, if any. Do not include in these cost centers the following costs: costs incurred for the routine repair or maintenance of equipment or facilities; amounts included in rentals or lease payments for repair and/or maintenance agreements; interest expense incurred to borrow working capital or for any purpose other than the acquisition of depreciable assets used for patient care; general liability insurance to provide protection other than the replacement of depreciable assets; or taxes other than those assessed on the basis of some valuation of land or depreciable assets used for patient care.”
- 4- Line 9 - Provide the number of FTEs, the salaries and associated benefits of employees and students included in the Education cost center.

The definition for education costs is taken from the Health Care Authority's Chart of Accounts and includes accounts:

- 8220 – Nursing Education
- 8240 – Post Graduate Medical Education
- 8260 – Other Health Professional Education

**NOTE:** This definition **does not include** account 8270 – Community Health Education

- 5- Line 10 - Provide the number of FTEs, the salaries and associated benefits of physicians, physical therapists and other professionals, if any. Provide a supplementary schedule if the salaries of more than one professional salary category is included on this line.
- 6- Line 11 – Provide the number of FTEs, the salaries and associated benefits of CRNAs.
- 7- Lines 9(c), 10(c), and 11(c) – Other Direct Expense – Should include the costs associated with these services for contract labor (e.g. locum tenen CRNAs).
- 8- Line 12a – Provide the total amount of sales tax, use tax, municipal gross sales tax and personal property tax.
- 9- Line 12b – Provide the amount of Provider Tax.
- 10- Line 13 – Provide the number of FTEs, salaries and associated benefits of employees. Provide a supplementary schedule if the salaries of more than one category of personnel is included on this line.

**NOTE: The only items that can be included on Line 13 are as follows: Burn Unit; ambulance services (air or ground); bone marrow transplants; and organ acquisitions (kidney, heart, lung).**

- 11- Line 14 – Provide the total atypicals – Line 4 through Line 13.
- 12- Line 15 – Provide the Total Base Cost – Line 3 less Line 14.
- 13- Lines 16 and 17 – calculated on same basis as Lines 1 and 2.